

Generate[™] Unit Trust Scheme (Managed Funds)

Annual Report

FOR THE PERIOD ENDED
31 MARCH 2023

Your Generate Unit Trust Scheme (Managed Funds) Year in review

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Highlights

We launched new funds

We launched two new Managed Funds on 16 May 2022, adding a new Conservative and Balanced Fund to the Generate Unit Trust (Managed Funds) Scheme.

Offering a wider selection of funds allows Generate investors to better tailor their investment towards their specific savings goals and objectives, which should be advantageous for the different stages of investors investment journey.

We also reduced the fees across all of our funds, which we were pleased to automatically apply for all our investors.



Generate funds awarded 'Mindful Fund' badge

All of Generate's funds were recognised as 'Mindful Funds' by Mindful Money.

The Mindful Fund badge is awarded to responsible investment funds that meet Mindful Money's criteria for avoiding harm, practicing stewardship, and supporting sustainable companies. See mindfulmoney.nz for more details.

Continued support for the Live Ocean Foundation

Generate's parent company continued to work with the Live Ocean Foundation, and has committed to a minimum \$150,000 donation over three years, to support the incredible work they do to protect and restore our significant ocean spaces.



Impact investments that make a difference

We continue to work actively with partners for a more sustainable future and are proud of the industry recognition we've received for our community and environmental impact investments.

We believe investment opportunities that have the potential to drive both positive financial returns and a positive social impact, are a win-win, for our members and communities.

This year we partnered with Community Finance and Ōtautahi Community Housing Trust (ŌCHT) to make a \$14 million impact investment to finance 35 new homes for people in need, whilst enabling our members the opportunity to receive a fair market return for their investment.

We also committed to invest \$20 million with New Zealand's most experienced venture capital firm Movac. This investment will provide capital for a group of Kiwi tech companies with growing revenues, to help them accelerate and expand. As they do, our investment has the ability to deliver strong returns for our investors, while supporting these Kiwi businesses to succeed on a global stage.

Generate also continues to be a major shareholder in Skyline Healthcare Group (SHG), New Zealand's market leader in aeromedical transport. Skyline provides essential healthcare services nationwide for Te Whatu Ora and private patients, with scheduled and emergency patient transfers. We're proud our impact investment helps support kiwis when they need it most.



Kiwis taking care of Kiwis

As New Zealand owned and operated KiwiSaver specialists we're passionate about empowering Kiwis to make smart savings decisions that will help them be better off in the future.

For further details on our approach to responsible investment download our Responsible Investing Policy at www.generatewealth.co.nz/responsible-investing

Details of the Scheme

The Generate Unit Trust Scheme (Managed Funds) (the “Scheme”)

This annual report for the Scheme covers the period 1 April 2022 - 31 March 2023.

The Scheme is a registered Unit Trust scheme.

The Manager of the Scheme is Generate Investment Management Limited (“Generate”), who is also the investment manager of the Scheme.

For more information about our investment team, investment philosophy and historical investment returns please refer to our website generatewealth.co.nz

The Supervisor of the Scheme is Public Trust (the “Supervisor”).

The current product disclosure statement for the Scheme is dated 30 June 2023 and is open for applications and available at generatewealth.co.nz

The 30 June 2023 quarterly fund update is currently available at generatewealth.co.nz

The latest financial statements and auditor’s report for the scheme for the financial year 1 April 2022 - 31 March 2023 were registered under the Financial Markets Conduct Act 2013 on 27 July 2023.

Information on contributions and Scheme participants

As at 1 April 2022 the scheme had one managed investment product on issue.

As at March 2023 the scheme had three managed investment products on issue.

INVESTMENT OPTION	Units on issue at 1 April 2022	Units on issue at 31 March 2023
Conservative Managed Fund*	–	147,741
Balanced Managed Fund*	–	758,210
Focused Growth Managed Fund	21,918,496	18,282,561

*Launched 16 May 2022

Changes relating to the Scheme

The following is a summary of material changes relating to the Scheme made during the year ended 31 March 2023.

Governing Document

Over the accounting period:

- amendments to the Trust Deed was made to change the name of the Focused Growth Trust Fund to the Generate Focused Growth Managed Fund via a Deed of Amendment dated 11 May 2022;
- the Conservative and Balanced Managed Funds were established via a Deed of Establishment dated 11 May 2022.

Terms of the offer of interests in the Scheme

We updated the Product Disclosure Statement in May 2022 and December 2022, changes included:

- amendments to facilitate the offering of two new Generate Managed Funds, being the Conservative Managed Fund and the Balanced Managed Fund and incorporate references to these new Funds;
- reducing the fee of the Focused Growth Managed Fund;
- amalgamation of 'Management Fee' and 'Other Administrative Charges' into 'Base Fund Management Fee'.
- disclosing Adviser charges.

The Statement of Investment Policy and Objectives (SIPO)

During the accounting period the SIPO was amended:

- in May 2022 for the addition of the Conservative and Balanced Managed Funds.

Related Party Transactions

All related party transactions with the Scheme were on arm's length terms. There were no material changes to the nature or scale of the Scheme's related party transactions.

Wholesale Fund

We introduced a new Wholesale Fund (the Thematic Wholesale Fund) during the accounting period.

Other information for particular types of managed funds

Investment Performance

The investment performance of each of the Funds for the year ended 31 March 2023 was:

FUND	\$ Unit price on 31/03/22	\$ Unit price on 31/03/23
Focused Growth Managed Fund	1.1647	1.1178
Balanced Managed Fund*	n/a	1.0304
Conservative Managed Fund*	n/a	1.0125

*Unit prices for these funds are not available as they were launched in May 2022

*** Past performance is not necessarily an indicator of future performance.** No returns are guaranteed or assured by any person. Returns since inception and the current unit prices are available at generatewealth.co.nz

Changes to persons involved in the Scheme

There were no changes to the manager, its directors or key personnel, administration manager, investment manager, custodian, securities registrar or auditor of the scheme.

Changes to the Board Members of the Supervisor Public Trust

Vicki Sykes resigned as a member of the Public Trust Board on the 31st October 2022.

Change in name of the Administration Manager

MMC Limited changed its name to APEX Investment Administration (NZ) Limited on 13 December 2022.

How to find further information

Further information about the Scheme is available on the Disclose Register at: www.companiesoffice.govt.nz/disclose

The information on the Disclose Register is provided in two sections, under 'Schemes' and 'Offers'.

1. The 'Schemes' section includes information such as the Governing Document (Trust Deed), the financial statements and the SIPO.
2. The 'Offers' section includes information such as the product disclosure statement, quarterly fund updates, historic fund returns and other material information.

This information is also available on our website generatewealth.co.nz or you can request it via email at info@generatewealth.co.nz or Freephone on 0800 855 322. This information is provided at no charge to you.

Contact details and complaints

If you have any questions or complaints about your investment please contact us:

Compliance Officer
Generate Investment Management Limited
Level 9, Jarden House
21 Queen Street
Auckland Central
Auckland 1010

PO Box 91609
Victoria Street West
Auckland 1142

Freephone: 0800 855 322
Email: info@generatewealth.co.nz
Website: generatewealth.co.nz

You may also contact the Supervisor at:

Client Services Manager
Corporate Trustee Services
Public Trust
SAP Tower, Level 16
151 Queen Street
Auckland 1010

Private Bag 5902
Wellington 6140

Freephone: 0800 371 471

If we or the Supervisor are unable to resolve your complaint, you may contact our external dispute resolution scheme. We are members of Financial Services Complaints Limited (FSCL). You can contact FSCL at:

Financial Services Complaints Limited
Level 4
101 Lambton Quay
Wellington 6011

PO Box 5967
Wellington 6140

Freephone: 0800 347 257
Email: complaints@fscl.org.nz

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

Full details of how to access the FSCL scheme can be obtained from its website fscl.org.nz.

You may contact the securities registrar at:

APEX Investment Administration Limited
Level 25, QBE Centre
125 Queen Street
Auckland 1010

Telephone: 09 309 8926

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Together.